

OTAY MESA VENTURES II, L.L.C.

C/o The LandBank Group, Inc.
141 Union Boulevard, Suite 330
Lakewood, CO 80228
Voice: 303.763.8500
Fax: 303.763.5700

May 9, 2003

VIA OVERNIGHT DELIVERY

Mr. Brian K. McDaniel
California Regional Water Quality Control Board, San Diego Region
9174 Sky Park Court, Suite 100
San Diego, CA 92123

**RE: Executed Corporate Guaranty of Financial Responsibility
Former Omar Rendering Site, 4826 Otay Valley Road, Chula Vista, CA**

Dear Mr. McDaniel,

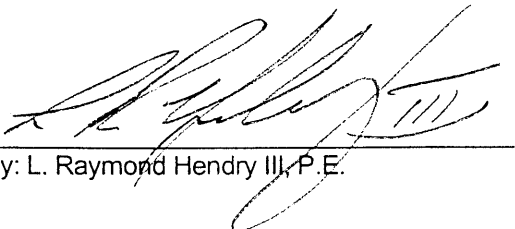
Enclosed you will find the executed Corporate Guaranty of Financial Responsibility (Guaranty) on behalf of Otay Mesa Ventures II, L.L.C. (OMV). The Guaranty reflects the language agreed to by the San Diego Regional Water Quality Control Board (Board), The LandBank Group, Inc. and OMV. It is OMV's understanding that this will allow the WDR Order No. 97-40 amendments, as reference in OMV's April 8, 2003 letter to you, to be voted upon at the upcoming June 11th Board meeting.

Should you have any questions please do not hesitate to contact me at 303-763-8500, extension 17.

Sincerely,

OTAY MESA VENTURES II, L.L.C.

By: LandBank Properties, L.L.C., its sole member



By: L. Raymond Hendry III, P.E.

Enclosure

C: M. Hashem, The LandBank Group, Inc.
C. Toll, Greenberg-Traurig
E. Deane, Paul Hastings Janofsky & Walker
H. Knowlton, Knowlton Realty Advisors
M. Unruh, Shaw Environmental, Inc.

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SAN DIEGO REGIONAL
WATER QUALITY
CONTROL BOARD

CORPORATE GUARANTY OF FINANCIAL RESPONSIBILITY

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, the undersigned, THE LANDBANK GROUP, INC., a Louisiana corporation, (the "**Guarantor**"), hereby agrees as follows:

1. This Guaranty is made on behalf of Otay Mesa Ventures II, L.L.C., a Louisiana limited liability company having an address at 141 Union Boulevard, Suite 330, Lakewood, Colorado 80228 ("**Owner**"), which is a subsidiary of Guarantor, in favor of the State of California, Regional Water Quality Control Board, San Diego Region (the "**Regional Board**").
2. Guarantor meets or exceeds the financial test criteria established under applicable requirements and agrees to comply with any reporting requirements for guarantors established by the Regional Board (the "**Financial Requirements**").
3. Owner owns certain real property in the City of Chula Vista, as more fully described on Exhibit A attached hereto and made a part hereof (the "**Site**") and is a "responsible party" for closure, and post-closure maintenance, at a closed Class I waste management unit for hazardous waste on the Site, as set forth in Order No. 97-40, "Waste Discharge Requirements for the Closure and Post-Closure Maintenance of the Class I Waste Management Containment Cell Omar Rendering Facility, San Diego County," and for cleanup and abatement of existing ground water pollution and contamination associated with past discharges at the Site, as set forth in Cleanup and Abatement Order No. R9-2003-0080: "Otay Mesa Ventures II, L.L.C. for the Former Omar Rendering Facility, San Diego County" and as may be prescribed by any amendments or addenda to Order No. R9-2003-0080 or in any superseding Cleanup and Abatement Order that may be issued. Owner has been responding to regulatory requirements for the Site imposed by the Regional Board. Nothing in this Guaranty shall be construed to limit the right of Owner to object to or challenge any future amendment or order issued by the Regional Board.
4. As used herein, the term "**Obligations**" refers to all activities required to be undertaken by Owner to comply with the orders of the Regional Board described in paragraph 3, including without limitation the Remedial Action Plan ("**RAP**") to be approved by the Regional Board pursuant to Order No. R9-2003-0080. The RAP shall consist of the "Conceptual RAP" together with all supplementary work plans for investigation, remedial action, or cleanup and abatement prepared by or on behalf of Owner or Knowlton Realty Advisors, Inc. ("**KRA**") in an iterative process until a final RAP can be approved by the Regional Board pursuant to the Polanco Redevelopment Act (California Health and Safety Code, § 33459, *et seq.*).
5. For value received from Owner, Guarantor guarantees to the Regional Board the performance of all of Owner's present and future Obligations at the Site in accordance with the requirements established by the Regional Board under applicable law; provided, however, that the liability of the Guarantor hereunder shall not exceed One Million Five Hundred Thousand and 00/100 Dollars (\$1,500,000.00) in the aggregate, and further provided that no action shall be brought against Guarantor hereunder unless the Regional Board finds that Owner has failed to

comply with the Obligations identified in paragraph 4, including without limitation, by failure to execute any plans developed to comply with the orders of the Regional Board, and that Owner has failed to remedy such failure within a reasonable period of time after receipt of written notice thereof (in the form of a "Notice of Violation") from the Regional Board.

6. Guarantor agrees that if, at the end of any fiscal year before the termination of this Guaranty, the Guarantor fails to meet the Financial Requirements, Guarantor shall send, within 90 days, by certified mail, notice to the Regional Board that it intends to provide alternate assurance of financial responsibility in a form required by the Regional Board in accordance with applicable law, in the name of Owner. Within 120 days after the end of such fiscal year, the Guarantor shall provide the alternate assurances to the Regional Board unless Owner has already done so.

7. The Guarantor agrees to notify the Regional Board by certified mail of a voluntary or involuntary proceeding under Title 11 (Bankruptcy), U.S. Code, naming Guarantor as debtor, within 10 days after commencement of the proceeding.

8. Guarantor agrees that within 30 days after being notified by the Regional Board of a final, unappealable determination that Guarantor no longer meets the Financial Requirements or that Guarantor is disallowed from continuing as a guarantor of closure or post-closure care, it shall establish alternate assurance of financial responsibility in a form required by the Regional Board in accordance with applicable law.

9. Guarantor agrees to remain bound under this Guaranty notwithstanding any or all of the following: amendment or modification of the applicable Orders as permitted under applicable law; amendment or modification of Plans incorporated into Owner's Obligations, or the extension or reduction of the time of performance of the Obligations set forth in the Orders or Plans.

10. Guarantor agrees to remain bound under this Guaranty for as long as Owner must comply with the applicable financial assurance requirements of the Regional Board, except that Guarantor may terminate this Guaranty by sending notice by certified mail to the Regional Board and to Owner; provided, however, that this Guaranty may not be terminated unless and until the Owner or Guarantor obtains, and the Regional Board approves, alternate assurances of financial responsibility complying with applicable law. It is the expectation of Guarantor and the Regional Board that this Guaranty will be replaced with a "finite risk" insurance policy in favor of Owner and the Regional board on or about August 31, 2003. Notwithstanding the foregoing, this Guaranty shall terminate automatically upon completion by Owner of the Obligations, but in no event later than completion of the post-closure maintenance period and all cleanup and abatement actions required by the final RAP.

11. Guarantor expressly waives notice of acceptance of this Guaranty by the Regional Board. Guarantor also expressly waives notice of amendments or modifications of the orders establishing waste discharge or cleanup and abatement requirements and of amendments or modifications of any plans, permits and approvals related thereto or issued in connection therewith.

12. The liability of the Guarantor under this Guaranty is independent of the Obligations of Owner. Separate action or actions may be brought and prosecuted by the Regional Board against the Guarantor to enforce this guaranty, whether or not an action is brought against Owner and whether or not Owner is joined in any such action or actions.

13. This Guaranty shall be governed by, and construed in accordance with the internal laws of the State of California, without regard to principles of conflicts of laws. Any action to enforce the Guaranty may be brought in the Courts of the State of California.

[SIGNATURES ON NEXT PAGE]

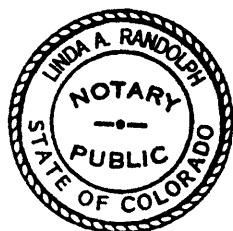
IN WITNESS WHEREOF, the Guarantor has executed this Guaranty as of
May 9, 2003.

WITNESS:

**THE LANDBANK GROUP, INC., a Louisiana
corporation**

By: Linda Randolph
Name: Linda A. Randolph

By: W P Lynott
Name: William P. Lynott
Title: President



My Commission Expires
MARCH 1, 2007